

FISCAL NOTE

HB 3386 - SB 3840

February 11, 2008

SUMMARY OF BILL: Permits a motor vehicle owner who will be out of state during his or her annual registration plate renewal month to apply for and receive early renewal.

ESTIMATED FISCAL IMPACT:

State Revenue – Net Impact – Not Significant
Increase State Expenditures - \$5,000/One-Time

Local Revenue – Net Impact – Not Significant
Increase Local Expenditures* - \$28,500/Once every five years

Assumptions:

- The registration may be renewed and extended for an alternative interval not to exceed 15 months.
- The Department of Safety (DOS) has indicated this bill will have no impact upon the department because the administration of motor vehicle registration law has been transferred to the Department of Revenue (DOR).
- According to DOR, there would be no change to state revenue because no changes have been made to registration fees. In addition, there would be no change to local government revenue because a fee for wheel tax remains unchanged.
- According to DOR, this bill would create additional expenditures for county clerks in years when new metal license plates are issued. Typically, new metal plates are issued every five years. County clerk expenses would increase as a result of having to physically store two sets of plates for approximately three additional months and from having to obtain county wheel tax decals from vendors three months earlier than what is typical. Such increased costs are difficult to determine due to differing amounts of available space among county clerk offices and due to multiple vendor contracts. However, such increased local government expenditures are reasonably estimated to be \$28,500 every five years. This estimate assumes an average of \$100 per county clerk

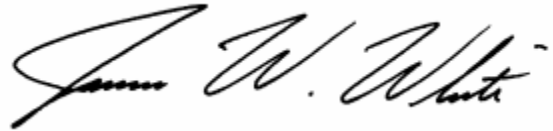
for additional costs related to obtaining decals earlier from vendors and an average of \$200 per county clerk for additional expenses related to inventory costs.

- According to DOR, modifications to the department's TRUST computer system would be required. Such one-time increase to state expenditures is estimated to be \$5,000.

*Article II, Section 24 of the Tennessee Constitution provides that: *no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc